

**STATE OF LOUISIANA  
OFFICE OF RISK MANAGEMENT**



**REQUEST FOR PROPOSALS**

**FOR**

**INSURANCE CONSULTANT**

**RFP # UW-01**

**Release Date: September 8, 2003 (10:00 A.M.)**

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## 1. GENERAL INFORMATION

### 1.1 Purpose

This Request for Proposals (RFP) is issued by the State of Louisiana, Office of Risk Management (herein referred to as ORM) for the purpose of providing interested parties with information to enable them to prepare and submit a proposal for selection of an insurance consultant to provide services described in Attachment I.

### 1.2 Background

The Office of Risk Management was created within the Office of the Governor, Division of Administration by R. S. 39:1527, et seq, in order to provide a comprehensive risk management program for the State.

The mission of ORM is to develop, direct, achieve and administer a cost effective comprehensive risk management program for all agencies, boards and commissions of the State of Louisiana and for any other entity for which the State has an equity interest, in order to preserve and protect the assets of the State of Louisiana. R.S. 39:1527, et seq, further designates ORM to be solely responsible for all property and casualty and worker's compensation insurance purchased by ORM or self-insured by ORM for all State Departments, Agencies, Boards and Commissions.

The ORM website can be found at <http://www.state.la.us/orm/orm.htm>

A summary of the current coverage handled by ORM can be found on the Internet at <http://www.state.la.us/orm/pdf/uwsumm.pdf>

### 1.3 Scope of Services

Attachment I details the scope of services and deliverables or desired results that the State requires of the consultant.

## 2. ADMINISTRATIVE INFORMATION

### 2.1 Expected Time Period for Contract

The period of any contract resulting from this RFP is tentatively scheduled to begin on or about **December 1, 2003** with annual renewals. The State has the right to contract for up to a maximum of three years upon approval.

### 2.2 RFP Coordinator

This RFP is available in electronic form at the State of Louisiana Office of Risk Management website or by typing <http://www.state.la.us/orm/InsuranceConsultantRFP.htm>. A hard copy can also be obtained upon request.

RFP Coordinator: Mr. Tommy Arbour, State Risk Underwriting Manager

Postal Address	Common Carrier Address
Office of Risk Management Post Office Box 94095, Capitol Station Baton Rouge, Louisiana 70804-9095	Office of Risk Management Claiborne Building, Suite G-192 1201 North Third Street Baton Rouge, Louisiana
FAX: (225) 342-3845 EMAIL: <a href="mailto:tarbour@doa.state.la.us">tarbour@doa.state.la.us</a>	

### 2.3 Proposer Inquiries

The State will consider written proposer inquiries regarding RFP requirements or Scope of Services by the date specified in the Calendar of Events. The State reserves the right to modify the RFP should a change be identified that is in the best interest of the State.

To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the above address or via fax at (225) 342-3845 by 4:00 p.m. CST on the date specified in the Calendar of Events. Any and all questions directed to the RFP Coordinator will be evaluated to determine if an official response is necessary. Official responses to the questions presented by the proposers will be posted by **October 2, 2003** at <http://www.state.la.us/orm/InsuranceConsultantRFP>. It is the responsibility of the proposer to check the website for responses to proposer's inquiries.

Only the RFP Coordinator has the authority to officially respond to proposer's questions on behalf of the State. Any communications from any other individuals are not binding to the State.

## 2.4 Calendar of Events

<u>Event</u>	<u>Date</u>
RFP Release Date	<b><u>September 8, 2003</u></b> (10:00 AM CST)
Last Date for Submission of Written Questions From Proposers for This RFP	<b><u>September 17, 2003</u></b> (4:00 PM CST)
Last date to issue responses to proposer inquiries	<b><u>October 2, 2003</u></b>
Proposal submission deadline (No late offers will be accepted)	<b><u>October 17, 2003</u></b> (10:00 AM CST)
Announce Award of "Successful Proposer"	<b><u>November 7, 2003</u></b>
Estimated Contract Execution	<b><u>December 1, 2003</u></b>

**NOTE: The State of Louisiana reserves the right to amend and/or change this schedule of RFP events, as it deems necessary.**

## 2.5 Definitions

- **RFP** means Request for Proposals
- **ORM** means the State of Louisiana, Office of Risk Management
- **Proposer** means a company submitting a proposal in response to this RFP
- **Consultant** means proposer awarded the contract
- **Net Premium** means pure premium with no commission included
- **State** means the State of Louisiana, Office of Risk Management

## 3. PROPOSAL INFORMATION

### 3.1 Proposal Response Location

Proposers who are interested in providing consulting services under this RFP must submit a proposal containing the information specified in Section 4 (Response Instructions). The fully completed proposal with original signatures by an authorized representative must be received in hard copy by the RFP Coordinator designated above by the deadline date specified in the Calendar of Events. **Fax or Email submissions are not acceptable.**

It is solely the responsibility of each proposer to assure that their proposal is delivered at the specified place and prior to the deadline for submission. Proposals, which for any reason are not so delivered, will not be considered for purposes of this RFP.

Proposals are valid for ninety (90) days after submission.

### **3.2 Minimum Requirements**

Proposers of this RFP must meet the following minimum requirements. Failure to respond to or comply with any of the following will result in disqualification of the proposal.

1. The proposer must be an agent/broker licensed by the Louisiana Office of the Commissioner of Insurance to do business in the State of Louisiana. Proof of such license is required and must be submitted with the proposal.
2. The proposer must have a surplus lines license. Proof of such license is required and must be submitted with the proposal.
3. The proposer must have errors and omissions liability coverage with a limit of at least \$1,000,000 per occurrence. Proof of such coverage must be submitted with the proposal.
4. The proposer must have a minimum of ten (10) years experience with property & casualty and multi line insurance procurement and underwriting.
5. The proposer must have a minimum of five (5) years experience writing and servicing commercial insurance for public entity accounts.
6. The proposer must accept the boilerplate contract provisions as shown in Attachment VI in their entirety.

### **3.3 Determination of Responsibility**

Determination of the consultant's responsibility relating to this RFP shall be made according to the standards set forth in Louisiana Administrative Code Title 34, Part V, Section 136 (Determination of Responsibility). The State must find that the consultant:

- ✓ Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
- ✓ Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
- ✓ Is able to comply with the proposed or required time of delivery or performance schedule;
- ✓ Has a satisfactory record of integrity, judgment, and performance; and
- ✓ Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that their proposals contain sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the services called for by the contract.

### **3.4 RFP Addenda**

State reserves the right to change the calendar of events or revise any part of the RFP by issuing an addendum to the RFP at any time. It is the responsibility of the proposer to check the website for any addenda to this RFP.

### **3.5 Waiver of Administrative Informalities**

The State reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

### **3.6 Proposal Rejection**

Issuance of this RFP in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in the State's best interest.

### **3.7 Withdrawal and Re-submission of Proposal**

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

### **3.8 Subcontracting Information**

The State shall have a single consultant as the result of any contract negotiation, and that consultant shall be responsible for all deliverables referenced in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements. However, the consultant should acknowledge in their proposal total responsibility for the entire contract.

If the proposer intends to subcontract for portions of the work, the proposer should include specific designations of the tasks to be performed by the subcontractor. Information required of the proposer under the terms of this RFP is also required for each subcontractor.

Unless provided for in the contract with the State, the consultant shall not contract with any other party for furnishing any of the work and professional services herein contracted for without the express written approval of the State.

### **3.9 Ownership of Proposal**

All materials submitted in response to this request become the property of the State. The State shall have the right to use all ideas or adaptations of the ideas contained in any proposal received in response to this RFP. Selection or rejection of a proposal does not affect this right.

### **3.10 Proprietary Information**

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Record Act, R.S. 44: 1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

### **3.11 Cost of Preparing Proposals**

The State is not liable for any costs incurred by prospective proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the proposer in responding to this RFP are entirely the responsibility of the proposer and shall not be reimbursed in any manner by the State of Louisiana.

### **3.12 Errors and Omissions in Proposal**

The State will not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by State or the proposer. The State, at its option, has the right to request clarification or additional information from any proposer prior to contract award.

### **3.13 Contract Award and Execution**

The State reserves the right to enter into a contract, without further discussion of the proposal submitted, based on the initial offer received. The State reserves the right to contract for all or a partial list of services offered in the proposal.

The RFP and proposal of the selected proposer will become part of any contract initiated by the State.

The selected proposer will be expected to enter into a contract which is substantially the same as the sample contract included in Attachment VI. **In no event is a Proposer to submit its own standard contract terms and conditions as a response to this RFP.** The Proposer

should submit with their proposal any exceptions or exact contract deviations that their firm wishes to negotiate. Negotiations may begin with the announcement of the selected proposer. Due to the time constraints in contracting with respondents, companies that are unable to agree to the non-negotiable terms in Section 6 should not submit proposals in response to this RFP.

If the contract negotiation period exceeds ten (10) business days or if the selected proposer fails to sign the final contract within five (5) business days of delivery of it, the State may elect to cancel the award and award the contract to the next-highest-ranked proposer.

#### **3.14 Code of Ethics**

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

#### **3.15 Disqualification**

The state reserves the right to verify all information provided by a proposer via direct contact with the proposer's prior clients and prior project personnel and proposers must agree to provide and release necessary authorizations for the State to verify any of the proposer's previous work. As described elsewhere in this RFP, each proposer will be required to submit a detailed resume of all key personnel. Misstatements of experience and scope of prior projects shall be grounds for disqualification of the proposer from further consideration.

#### **3.16 Right to Protest**

Any proposer who is aggrieved in connection with the Request for Proposals or award may protest to the head of the agency issuing the proposal, at which time the agency shall notify the Office of Contractual Review that a protest has been lodged. Said protest shall be in writing and state fully the reason(s) for the protest. A protest must be filed at least 14 days prior to the date for receipt of proposals. Protests with respect to an award shall be submitted within 14 days after the award has been announced by the agency.

### **4. RESPONSE INSTRUCTIONS**

#### **4.1 Proposal Submission**

Proposals must be received on or before 10:00 A.M. CST on the date specified in the Calendar of Events. Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the time specified. The proposal package must be delivered at the proposer's expense to:

Mr. Tommy Arbour, State Risk Underwriting Manager  
Office of Risk Management  
Post Office Box 94095, Capitol Station  
Baton Rouge, Louisiana 70804-9095

For courier delivery, the street address is 1201 North 3<sup>rd</sup> Street, Ground Floor, Suite G-192, Baton Rouge, Louisiana, and the telephone number is (225) 342-8472. It is solely the responsibility of each proposer to assure that their proposal is delivered at the specified place and prior to the deadline for submission. Proposals which for any reason are not received timely will not be considered.

#### **4.2 Proposal Format**

The State requests that six (6) copies of the proposal be submitted to the RFP Coordinator at the address specified. At least 1 copy of the proposal must contain original signatures; that copy must be clearly marked or differentiated from the other copies of the proposal.

This copy will be incorporated, by reference, in any contract resulting from this RFP.



The proposal must be signed by those company official(s) or agent(s) duly authorized to sign proposals or contracts on behalf of the organization. A certified copy of a board resolution granting such authority shall be submitted.

**Proposer should submit a proposal as specified in Attachment II. It should include enough information to satisfy evaluators that the proposer has the appropriate experience and qualifications to perform the scope of services as described herein. Proposer should respond to all areas requested.**

**Proposals should be typed and submitted on 8.5 by 11 inch paper bound securely. Proposal information should be organized and presented in the order indicated below. The headings and subheadings should be separated by tabs.**

**Tab 1 Cover Page and Executive Summary**

Tab 1,A Cover Letter and Administrative Information (see page 18)

Tab 1,B Contract Compliance/Modifications (see page 18)

**Tab 2 Response to Minimum Requirements**

Include completed Minimum Requirements Statement (see Attachment V on page 22). All required documentation to be submitted with Attachment V shall be placed in the order that the requirements are numbered.

**Tab 3 Experience**

Tab 3,A Corporate Background (see page 18)

Tab 3,B Experience with Similar-sized Accounts and References (see page 18)

Tab 3,C Description of Service Office (see page 18)

Tab 3,D Public Entity Experience (see page 18)

**Tab 4 Proposed Project Staff**

Tab 4,A Key Staff and Resumes (see page 18)

Tab 4,B Staff Licenses (see page 18)

Tab 4,C Accessibility of Staff (see page 19)

Tab 4,D Company Senior Management (see page 19)

Tab 4,E Subcontractor Information (see page 19)

**Tab 5 Approach & Methodology (see page 19)**

**Tab 6 Cost Proposal Form & Documentation (See Attachment IV on page 21)**

**Tab 7 Additional Forms Required**

Certification Statement (see Attachment III on page 20)

Certified Copy of Board Resolution (see page 19)

## **5. EVALUATION AND SELECTION**

### **5.1 Evaluation Team**

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the State, which will determine the proposal most advantageous to the State.

## **5.2 Mandatory Requirements**

All proposals will be reviewed to determine compliance with the minimum requirements as specified in the RFP. Proposals found not to be in compliance with the minimum requirements will be rejected from further consideration.

## **5.3 Evaluation and Review**

Proposals that meet the minimum requirements review will be evaluated based on information provided in the proposal.

The Evaluation Team will evaluate and score the proposals using the criteria and scoring specified in the following table:

<b>Criteria</b>	<b>Points</b>
1. Experience	105
2. Staff Qualifications	90
3. Approach & Methodology	30
* Of the 225 total points possible from the above 3 categories, the proposer must score at least 85% for their proposal to be further evaluated on cost.	191/225 = 85%
4. Cost	75
<b>Total</b>	<b>300</b>

Each proposer will receive a cost score computed as follows:

The cost proposals will be evaluated on fixed cost. The most points will be awarded to the proposer that has the lowest cost. Other cost proposals will be assigned points that correlate to those assigned to the proposal with the lowest cost. The formula will be as follows:

$$\frac{\text{Lowest Cost (Constant)}}{\text{Other Cost Proposal}} \times \text{Maximum Points for fixed cost (75)} = \text{Score}$$

The Evaluation Team will compile the total scores on a consensus basis and make a recommendation to the head of the agency on the basis of highest score. The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

## **5.4 Announcement of Consultant**

The State will notify the successful proposer and proceed to negotiate terms for a final contract. Unsuccessful proposers will be notified in writing accordingly.

Each proposer will have the ability to meet with ORM to discuss its proposal evaluation.

# **6. CONSULTANT REQUIREMENTS**

The following consultant requirements are not negotiable.

## **6.1 Corporation Requirements**

If the consultant is a corporation not incorporated under the laws of the State of Louisiana, the consultant shall obtain a certificate of authority pursuant to R. S. 12:301-302 from the Louisiana Secretary of State upon the award of the contract.

If the consultant is a for-profit corporation whose stock is not publicly traded, the consultant shall file a disclosure of ownership form and, if outside of Louisiana, a certificate of authority is properly filed with the Louisiana Secretary of State upon the award of the contract.

## **6.2 Consultant and Sub-Contractors**

The consultant will be responsible for contract performance when subcontractors are used. Subcontractors must abide by all terms and conditions of the contract.

## **6.3 Billing and Payment**

The consultant will be paid for a fixed fee based on the cost offered in the proposal. ORM will deliver the net premium as the insurance is procured. Net premium amounts for insurance coverage will be delivered annually as coverage is awarded.

One fourth of the fixed contract amount will be paid by ORM quarterly for consulting services performed as documented in the monthly activity reports. The fixed fee will not be paid in advance. The consultant will submit quarterly billings to the State for activities. The format of the invoice is subject to State approval. Billings will be based on completion of deliverable to be named in the contract.

Premium amounts for insurance coverage obtained on behalf of ORM must be based on net premium, whereby any type of commission normally included in premium quotations will be eliminated from the premium expense. In those situations, by law or insurance practice, where commissions must be included in a premium charge, such commissions will be identified and will reduce the overall fee due to the consultant. The consultant shall identify any commissions included in the premium charge and make the proper adjustments to the overall fee due to the consultant under the contract. Premium amounts must be submitted to ORM on the consultant's invoice form, and payment will be made to the consultant. The consultant will be responsible for payment to the insurance company(ies).

Premium amounts for insurance coverage obtained on behalf of ORM will be delivered within thirty (30) days of approval of consultant's invoice.

## **6.4 Confidentiality of State Information**

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the consultant in order to carry out this contract, or which become available to the consultant in carrying out this contract, shall be protected by the consultant from unauthorized use and disclosure through the observance of the same or more effective security requirements as are applicable to the State. Consultant shall not be required to keep confidential any data or information that is or becomes publicly available, is already rightfully in the consultant's possession, is independently developed by the consultant outside the scope of this contract, or is rightfully obtained from third parties. Under no circumstance is the consultant to discuss and/or release information to the media concerning this project without prior express written approval of the Commissioner of Administration.

## **6.5 Board resolution**

The Consultant, if a corporation, shall secure and attach to the contract a formal, dated Board Resolution indicating the company official/agent is a corporate representative and authorized to sign said contract.

## **6.6 Taxes**

Consultant hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be consultant's obligation and identified under Federal tax identification number \_\_\_\_\_.

## **6.7 Termination for Cause**

The State may terminate this Contract for cause based upon the failure of the Consultant to comply with the terms and/or conditions of the Contract; provided that the State shall give the Consultant written notice specifying the Consultant's failure. If within thirty (30) days after receipt of such notice, the Consultant shall not have either corrected such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Consultant in default and the Contract shall terminate on the date specified in such notice. The Consultant may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Consultant shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

#### **6.8 Termination for Convenience**

The State may terminate the Contract at any time by giving thirty (30) days written notice to the Consultant. The Consultant shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

#### **6.9 Remedies for Default**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 -1526.

#### **6.10 Non-Assignability**

No consultant shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the consultant from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

#### **6.11 Auditors**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of consultant that relate to this contract.

#### **6.12 Fiscal Funding**

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

#### **6.13 Discrimination Clause**

The consultant agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and consultant agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Consultant agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Consultant, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

**6.14 Amendments**

All amendments to the contract will be by mutual agreement of the contract parties and shall be in writing, and signed by duly authorized representatives of both parties and approved by the Director of Contractual Review, Division of Administration.

**6.15 Insurance Requirement**

The proposer shall maintain Errors and Omissions coverage with limits of at least \$1,000,000 for the duration of the contract. Proof of such coverage is required and must be submitted each policy period during the duration of the contract.

**6.16 Governing Law**

This contract shall be construed in accordance with and governed by the laws of the State of Louisiana.

**ATTACHMENT I**  
**SCOPE OF SERVICES**

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**1. Overview**

ORM seeks to identify and retain a company to provide a range of risk management services with an emphasis on being a resource of knowledge and expertise as well as provide other risk management services as needed.

The purpose of this RFP is to secure the most experienced and qualified company to provide consultant services to assist ORM in fulfilling its critical role to ensure proper protection of the State's assets and activities on behalf of the State's citizens and taxpayers.

The selected company shall provide professional services and qualified personnel to perform the duties indicated below.

**2. Tasks and Services**

**Monthly Consultant Activities**

- ✓ Develop a complete understanding of the State's areas of exposure and consult with ORM about short and long term solutions.
- ✓ Provide a monthly briefing of market conditions and review of company(ies) financial status. Provide insurance expertise, evaluation of insurance market options, and reviews of insurance markets on an ongoing basis.
- ✓ Provide written reports and advisory services as is customarily expected from a professional insurance broker.
- ✓ Monitor & advise when new insurance forms (ISO and others) are approved for use in the State of Louisiana.
- ✓ Provide ORM a monthly status report reflecting time spent and activities performed during the month.

**Quarterly Consultant Activities**

- ✓ Provide ORM with quarterly reports for all commercial policies detailing loss information per line of insurance per state agency. These reports shall reflect claims opened and closed and claims reserved and paid by policy year (including all allocated loss adjustment expenses) until all claims are closed. These reports shall be cumulative for policy year and not just activity for the quarter. Information to be reflected on the quarterly report for each individual claim shall include but not be limited to the following.
  - Date of Loss;
  - Status of claim (open, closed, reopened);
  - Brief Description of Loss;
  - Name of State Agency;
  - Amount of claim as indicated below (by coverage code, if coverage code is applicable);
    - Total Incurred;
    - Amount paid;
    - Amount reserved;
    - Amount recovered;
    - Amount of loss adjustment expenses; and
    - Net Incurred

## **Annual Consultant Activities**

### *Insurance Policy Consultation:*

- ✓ Act as broker for new insurance policies placed during this contract. At our option, current policies may be renewed up to the three-year contract period under the current agent/broker.
- ✓ Annual review of self-insurance policies as regards forms and coverage provided.
- ✓ Evaluate existing insurance contracts (and claims history as necessary). Determine whether the policies currently in force are appropriate in terms of coverage, carrier and price. Make recommendations and draft appropriate wording concerning any changes, modifications, consolidations, and/or additions in the terms, conditions and coverage limits needed to yield a comprehensive risk management program to protect the interests of the State.
- ✓ Update and analyze loss history to assist in determining the level of risk retention and risk transfer needed to protect the State of Louisiana from financial loss.
- ✓ Assist in identifying and evaluating existing and emerging exposures to risk.
- ✓ Make recommendations regarding carriers, coverage, limits, terms, conditions, and exposures. Identify programs, products and insurers capable of meeting the State's insurance needs.
- ✓ Assist in the preparations of bid specifications, in compliance with the Louisiana Procurement Code (RS 39:1551 et seq), for markets capable of quoting for coverage.
  - Identify and organize pertinent information in order to market and place insurance programs and coverage.
  - Assist ORM in bidding and placing excess property and liability insurance as requested by ORM. Market broadest coverage at the most reasonable cost for exposures presented by the State. Monitor market response and status of proposals. ORM insists on working directly with underwriters in a team effort with its broker.
  - Verify the accuracy of all rates, rate classifications and premiums charged.
  - Assist ORM's evaluation team in the evaluation of the results of each solicitation. It should include a comprehensive financial analysis, a review of the appropriateness of retention levels assumed and insurance limits purchased, and recommendations for selection of an insurer(s).
  - Present a risk management plan, including alternative risk financing techniques, for each type of risk for which insurance cannot be obtained due to inappropriate cost or lack of required coverage in the marketplace.
  - Review insurance policies upon receipt to determine compliance with insurance requested for those exposures that the State insures.
  - Have new coverage in place by expiration/anniversary date of existing coverage not being renewed.
- ✓ Act as an advisor to the State for specialty insurance coverages that may be outside the normal market of the selected consultant. Develop and implement insurance and/or self-insurance programs in response to new exposures presented by ORM. Write new forms (manuscript policies) of coverage to specifically insure new initiatives.

- ✓ Provide premium allocation services so the premium costs may be properly charged back to agencies.
- ✓ Assist ORM in providing annual premium estimates for future budgeting purposes.
- ✓ Provide evaluation, training, and education relative to loss control, safety, claims management, and related topics in the area of risk management (semi-annually/as requested).

*Claims Management Consultation:*

- ✓ Advocate for the State on any disputed or problem claims.
- ✓ Assist ORM in meeting claims reporting requirements in the event of major losses.
- ✓ Serve as a resource for catastrophic or unusual claims.
- ✓ Monitor large claims and provide coordination between the excess carrier and ORM.

*Contractual Consultation:*

- ✓ Provide verification of coverage as needed by the State to satisfy lessors, contractors, and other parties from whom the State seeks services or the use of equipment and/or facilities.
- ✓ Prepare insurance certificates and endorsements as requested by the State or its suppliers, contractors, or vendors for all commercial policies.
- ✓ Provide recommendations as to risk related issues in State contractual arrangements.
- ✓ Attend meetings, as requested, with Risk Management and other representatives of the State and State agencies, insurers, and others.
- ✓ Assist ORM in developing uniform insurance requirements within the State contracts. Review exceptions on an individual basis.

*Loss Control/Prevention Consultation:*

- ✓ Review and prepare an in-depth evaluation of the existing safety and loss control program. Determine improvements that will result in a comprehensive safety and loss control program that will reduce losses and create a safer work environment for the State government's workforce. Provide recommendations for improvements, new targeting thresholds, and elements of standard service based on industry practices and historical loss results. Provide a methodology to quantify ORM's return on investment in the loss control function based on the data elements available.
- ✓ Assist with the loss control inspections and the boiler and machinery inspection program.
- ✓ Serve as a resource for risk control and risk analysis services.
- ✓ Consult in the design of any new loss prevention programs as needed.
- ✓ Review and comment on insurer loss control recommendations as needed.
- ✓ Assist ORM in the coordination and participation of educational programs such as defensive driving courses and loss control and safety meetings for State agencies. Follow up to monitor results.

*Insurance Market Consultation:*

- ✓ Provide continuing advice on insurance industry customs, practices, current developments, and other technical matters.



- ✓ Consult with ORM in discussions related to premium methodology and square footage rates for property value determinations.
- ✓ Provide periodic market updates (quarterly/as requested).
- ✓ Serve as a resource for special projects.
- ✓ Provide ORM with special reports upon request.
- ✓ Provide, on a timely basis as determined by ORM, answers and clarification obtained from insurers, underwriters or adjusters regarding coverage or claims questions.
- ✓ Assist ORM in conducting risk management seminars with various State agencies.

#### *Stewardship Report*

- ✓ Prepare a comprehensive stewardship report with quantitative measures of productivity at the end of each fiscal year or as requested. (The State's fiscal year is from July 1 through June 30.) The report shall include, but not limited to
  - A policy schedule including policy periods, limits, carriers, premiums, and brief coverage description.
  - Recommendations for improving the present program and suggested long-term objectives for the State's program.
  - A status report on the current state of the insurance market and estimated future status.
  - Recommendations on risk retention and transfer based on market conditions.

#### *Transition Period*

- ✓ Prior to the contract's expiration, the consultant awarded this contract will assist the subsequent consultant during a transition period designated by the State.

### **3. Deliverables**

- ✓ Monthly status report reflecting time spent and activities performed shall be delivered by last working day of each month.
- ✓ Quarterly loss history reports for each line of coverage placed through the consultant will be delivered by the following dates: January 1, April 1, July 1, and October 1.
- ✓ Comprehensive stewardship report shall be delivered no later than June 30<sup>th</sup> each fiscal year.
- ✓ Upon termination of the contract, a final report, consisting of the results of all completed projects that have not yet been reported to ORM, the status of any projects or activities not completed, and any final recommendations, shall be delivered no later than two (2) weeks prior to the termination date.

**ATTACHMENT II**  
**PROPOSAL INFORMATION**

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**1. Cover Page and Executive Summary**

- A. This section should serve to introduce the purpose and scope of the proposal. It should include a cover letter (on proposer's official business letterhead) explaining the intent of the proposer. Include company name, address, phone and fax numbers of the contact person, signatures of company officials/agents duly authorized to sign proposals or contracts on behalf of the organization. It should also include the stipulation that the proposal is valid for a time period of ninety (90) days from the date of submission. This section should also include a summary of the proposer's qualifications and ability to meet the State agency's overall requirements.
- B. It should include a positive statement of compliance with the contract terms. The proposer should include any specific language that they would like to include in the contract, in addition to the boilerplate provisions. The intent of the boilerplate provisions cannot be altered. Final wording will be resolved during contract negotiations.

**2. Response to Minimum Requirements (see Attachment V)**

**3. Corporate Background, Experience and References**

- A. The proposer should give a brief description of their company including the following: a brief history, corporate structure and organization, number of years in business, size, scope, capability, and areas of specialization. Copies of the latest audited financial statements must also be included in the proposal. Identify the parent corporation or other entities with significant financial interest in the proposer.
- B. Proposers must include in their proposals a list of all organizations with similar sized accounts and similar risks with whom the proposer has done business within the last three (3) years. For each organization, the proposer must include the name, title, address, and telephone number of a contact person. The State will determine which, if any, references to contact to assess the quality of work performed and personnel assigned to the project. The results of any references will be provided to the evaluation committee and used in scoring the proposal.
- C. Describe the size and location of the office from which the State's account would be serviced. Explain the risk management services (including statistical and quantitative capabilities, risk identification and evaluation methods and data processing services) available at that office. Also provide the total annual premium volume serviced by the office. Describe the service office's three (3) largest existing accounts. If proposer intends to utilize other regional or national offices, describe the services they would provide on this account.
- D. Describe the experience and capabilities of the proposer in providing similar services to those required. Be specific and identify projects, dates, and results. Provide detailed information regarding any past experience, including number of years, and premium volume written with public entity organizations or applicable programs. Describe direct experience, including number of years, with any procurement of governmental insurance.

**4. Proposed Project Staff**

- A. Identify by name and provide resumes describing the educational and work experience for each of the key staff who would be assigned to the account on a permanent basis. Provide titles, professional designations, area(s) of expertise, number of other accounts to which they are assigned, and number of years of experience. Identify the primary point of contact and backup point of contact. Also identify any alternate staff if the key staff are unavailable; people listed must be in the office that will service the account.
- B. Identify whether the key staff hold the appropriate license(s) to transact business in Louisiana. Also disclose whether brokerage staff in the past five years have been, or are currently, the

subject of a complaint investigation or administrative action by the Office of the Commissioner of Insurance or another state insurance regulatory body.

- C. Briefly describe the role the key staff will play and an indication of the percent of their time that will be allotted for the State's account. Also indicate the accessibility to those staff if proposer is awarded a contract. Also describe the process that will be used before a key staff person assigned to the State's account is replaced.
- D. If proposer is awarded a contract, describe what access the State of Louisiana will have to proposer's senior management. Identify the senior management and provide their titles.
- E. If subcontractor(s) will be used, clearly identify any subcontractor arrangements. Information required of the proposer, as described in Attachment II of this RFP, is also required for each proposed subcontractor.

## **5. Approach and Methodology**

Briefly communicate proposer's understanding of the nature of the project and how their proposal will best meet the needs of the state agency.

## **6. Cost Information**

The fixed annual fee shall not include any cost associated with insurance premiums

Provide the fixed annual fee (inclusive of travel and all project expenses) for services required in this RFP as identified in Attachment I (Scope of Services). Proposer shall utilize Attachment IV to provide fixed annual fee.

Please attach documentation showing how this figure was derived.

## **7. Additional Forms Required**

- A. Certification Statement (see Attachment III)
- B. Certified copy of Board Resolution granting company officials/agents the authority to sign proposals/contracts on behalf of the organization.

**ATTACHMENT III**  
**CERTIFICATION STATEMENT**

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The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT.** The State requires that the proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the contact name and fill in the information below: (Print Clearly):

Date: \_\_\_\_\_ Official Contact Name: \_\_\_\_\_

A. E-mail Address: \_\_\_\_\_

B. Facsimile Number with area code: (\_\_\_\_\_) \_\_\_\_\_

C. US Mail Address: \_\_\_\_\_

\_\_\_\_\_

Proposer certifies that the above information is true and grants permission to the State to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

- (1) The information contained in its response to this RFP is accurate;
- (2) Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the scope of services specified therein;
- (3) Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
- (4) Proposer's quote is valid for at least ninety (90) days from the date of proposer's signature below;
- (5) Proposer understands that if selected as the successful proposer, the company will have ten (10) business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document.

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_  
SIGNATURE of Proposer's Authorized Representative                      DATE

**ATTACHMENT IV**  
**COST PROPOSAL FORM**

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Provide proposer's fixed annual fee, including travel and all project expenses, for consultant services identified in Attachment I (Scope of Services). The fixed annual fee shall not include any costs associated with insurance premiums.

**Attach documentation and detail showing how this figure was derived.**

Company Name: \_\_\_\_\_

\$
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Authorized Signature: \_\_\_\_\_

**The above proposed cost must be firm for ninety (90) days.**

**ATTACHMENT V****MINIMUM REQUIREMENTS STATEMENT**

Proposers who are interested in providing consulting services under this RFP must respond to the following questions as well as attach required documentation.

YES	NO		QUESTIONS	REQUIRED DOCUMENTATION
<input type="checkbox"/>	<input type="checkbox"/>	1.	Is proposer licensed by the Louisiana Office of the Commissioner of Insurance to do business in the State of Louisiana?	Proof of such license is required and must be submitted with the proposal.
<input type="checkbox"/>	<input type="checkbox"/>	2.	Does proposer have a surplus lines license?	Proof of such license is required and must be submitted with the proposal.
<input type="checkbox"/>	<input type="checkbox"/>	3.	Does proposer have errors and omissions liability with a limit of at least \$1,000,000 per occurrence?	Proof of such coverage in the form of a signed certificate of insurance must be attached.
<input type="checkbox"/>	<input type="checkbox"/>	4.	Does proposer have a minimum of ten (10) years experience with property & casualty and multi line insurance procurement and underwriting.	Include this information as part of Tab 3: Experience.
<input type="checkbox"/>	<input type="checkbox"/>	5.	Does proposer have a minimum of five (5) years experience writing and servicing commercial insurance premiums for public entity accounts.	
<input type="checkbox"/>	<input type="checkbox"/>	6.	Does proposer accept the boilerplate contract provisions as shown in Attachment VI in their entirety?	Include this information as part of Tab 1B: Contract Compliance/ Modifications

**ATTACHMENT VI**  
**INSURANCE CONSULTING SERVICES CONTRACT**

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Be it known, that on this *(Date)* day of *(month)*, *(year)*, the Office of Risk Management, (hereinafter sometimes referred to as "ORM" or "State") and *(Consultant's name and legal address including zip code)*, hereinafter sometimes referred to as the "Consultant", do hereby enter into a contract under the following terms and conditions.

**1. TERM OF CONTRACT**

The term of the contract shall be scheduled to begin on December 1, 2003 with annual renewals. The State may contract for a maximum of three years upon approval.

**2. PAYMENT TERMS**

In consideration of the services described above, State hereby agrees to pay the Consultant a maximum fee of \$\_\_\_\_\_. Payment will be made only on approval of the State Risk Underwriting Manager.

**3. TAXES**

Consultant hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be consultant's obligation and identified under Federal tax identification number \_\_\_\_\_.

**4. TERMINATION FOR CAUSE**

The State may terminate this Contract for cause based upon the failure of the Consultant to comply with the terms and/or conditions of the Contract; provided that the State shall give the Consultant written notice specifying the Consultant's failure. If within thirty (30) days after receipt of such notice, the Consultant shall not have either corrected such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Consultant in default and the Contract shall terminate on the date specified in such notice. The Consultant may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Consultant shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

**5. TERMINATION FOR CONVENIENCE**

The State may terminate the Contract at any time by giving thirty (30) days written notice to the Consultant. The Consultant shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

**6. REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 -1526.

**7. OWNERSHIP**

All records, reports, documents and other material delivered or transmitted to Consultant by State shall remain the property of State, and shall be returned by Consultant to State, at Consultant's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Consultant in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon

request, be returned by Consultant to State, at Consultant's expense, at termination or expiration of this contract.

## **8. NON-ASSIGNABILITY**

No consultant shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the consultant from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **9. AUDITORS**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of consultant that relate to this contract.

## **10. FISCAL FUNDING**

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

## **11. DISCRIMINATION CLAUSE**

The consultant agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and consultant agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Consultant agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Consultant, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

## **12. AMENDMENTS**

All amendments to the contract will be by mutual agreement of the contract parties and shall be in writing, and signed by duly authorized representatives of both parties and approved by the Director of Contractual Review, Division of Administration.

## **13. INSURANCE REQUIREMENT**

The proposer shall maintain Errors and Omissions coverage with limits of at least \$1,000,000 for the duration of the contract. Proof of such coverage is required and must be submitted each policy period during the duration of the contract.



#### **14. ENTIRE AGREEMENT CLAUSE**

The contract, together with the RFP and addenda issued thereto by the State, the proposal submitted by the Consultant in response to the State's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

#### **15. ORDER OF PRECEDENCE**

This contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the proposal.

#### **16. SPECIAL WARRANTIES, REPRESENTATIVES AND DUTIES**

The Consultant shall be required under the terms of the contract to make the following special warranties and representatives:

- a. The personnel assigned by the Consultant to perform services shall be qualified to perform the assigned duties. The key staff shall be identified by name along with their education and work experience. Key personnel will not be removed from contract without prior approval of ORM. Key personnel will not be added to contract without prior approval of ORM. Resumes must be submitted with request for approval of additional personnel.

The Consultant assumes responsibility for its personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain at the consultant's expense all necessary insurance for its employees including, but not limited to workers' compensation and liability insurance.

- b. The Consultant shall notify the State Risk Underwriting Manager in writing fifteen (15) days prior to personnel changes removing any officer or key employee whose responsibilities include significant activities related to the contract.
- c. The Consultant shall warrant that all agents, whether an officer or employee, will act in an independent capacity concerning the terms of the contract and will not act as or be considered employees of the State nor be entitled to any benefits or privileges accorded to public employees, insofar as such benefits and privileges are related to the contract.
- d. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes or other disasters.

#### **17. LIMITATION OF LIABILITY**

Consultant shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Consultant, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Consultant shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

For all other claims against the Consultant where liability is not otherwise set forth in the contract as being "without limitation", and regardless of the basis on which the claim is made, Consultant's liability

for direct damages shall be two (2) times the charges for services rendered by the Consultant under the Contract.

In no event shall Consultant, its affiliates, employees, actuaries, agents, and brokers, be liable to the State for any incidental, special, punitive, or consequential damages of any kind (including without limitation, loss of income, loss of profits, or other pecuniary loss); or for any losses or expenses resulting from any inaccuracy in or omission from any information or data supplied to Consultant in connection with the services provided under this contract. The provisions of this paragraph shall survive the expiration or termination of this contract.

## **18. GOVERNING LAW**

This contract shall be construed in accordance with and governed by the laws of the State of Louisiana.

## **19. BILLING AND PAYMENT**

The consultant will be paid for a fixed fee based on the cost offered in the proposal. ORM will deliver the net premium as the insurance is procured. Net premium amounts for insurance coverage will be delivered annually as coverage is awarded.

One fourth of the fixed contract amount will be paid by ORM quarterly for consulting services performed as documented in the monthly activity reports. The fixed fee will not be paid in advance. The consultant will submit quarterly billings to the State for activities. The format of the invoice is subject to State approval. Billings will be based on completion of deliverable to be named in the contract.

Premium amounts for insurance coverage obtained on behalf of ORM must be based on net premium, whereby any type of commission normally included in premium quotations will be eliminated from the premium expense. In those situations, by law or insurance practice, where commissions must be included in a premium charge, such commissions will be identified and will reduce the overall fee due to the consultant. The consultant shall identify any commissions included in the premium charge and make the proper adjustments to the overall fee due to the consultant under the contract. Premium amounts must be submitted to ORM on the consultant's invoice form, and payment will be made to the consultant. The consultant will be responsible for payment to the insurance company(ies).

Premium amounts for insurance coverage obtained on behalf of ORM will be delivered within thirty (30) days of approval of consultant's invoice.

## **20. LIASON**

The Consultant will designate one or more persons from his staff who shall have the duty of acting as a point of contact with ORM to assure the expeditious execution of this agreement.

## **21. SECURITY**

The Consultant will at all times comply with all security regulations in effect at ORM which are made known in writing by ORM to the Consultant.

## **22. ACCESS TO INFORMATION**

ORM will allow the Consultant 's personnel timely access to all necessary records, data and papers.

## **23. RECORD RETENTION**

The Consultant agrees to retain all records and other documents relevant to this contract in accordance with the Louisiana Public Records Law, LA R. S. 44:1 et seq.

#### **24. CONFIDENTIALITY OF STATE INFORMATION**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the consultant in order to carry out this contract, or which become available to the consultant in carrying out this contract, shall be protected by the consultant from unauthorized use and disclosure through the observance of the same or more effective security requirements as are applicable to the State. The consultant shall not be required under the provisions of the paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in the consultant's possession, is independently developed by the consultant outside the scope of the contract, or is rightfully obtained from third parties.

#### **25. REPRODUCTION, PUBLICATION AND USE OF MATERIAL**

ORM shall have unrestricted authority to reproduce, publish, distribute and otherwise use in whole or in part, any manuals, reports, data or other materials prepared in connection with this contract or in performance hereof.

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the day, month and year first written above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of this day of (*enter date*).

Witness Signatures:

State Agency Signatures:

By:

Title:

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